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CHAIRMAN'S REPORT

The Saint John Fundy Region Development Commission made a significant contribution in 1987/88 to the economic development and life of the region. Important gains were made in spite of the fact that the Commission's work was complicated by:

(a) changes associated with the creation of the Economic Development Department of the City of Saint John

(b) the discussions and expectations created as the Price Waterhouse consultants worked on the report entitled "The Evaluation of New Brunswick Regional Economic Development Commissions and Recommendations for Future Economic Development in the Province"

(c) uncertainties concerning the role to be played by the Atlantic Canada Opportunities Agency (ACOA) as it relates to the role the Department of Commerce and Technology plays in economic development

The City of Saint John, in establishing its Economic Development Department, named Donald O'Leary as its director. Mr O'Leary, who had been general manager of the Commission, resigned and assumed his new responsibilities in July. The Commission, having been informed that the Price Waterhouse report, with its recommendations on the future role and organization of regional commissions, was to be submitted to government early in the fall, postponed action in naming a new general manager. Instead, the Commission's executive members assigned a number of the general manager's responsibilities to various members of the staff; the Commission is indebted to the staff for the positive manner in which it responded to such a challenge.

When informed that the submission of the Price Waterhouse report would be delayed several months, the Commission acted quickly and was fortunate in securing William (Bill) Thompson as its general manager. Mr. Thompson, who had been general manager of the Commission from 1981 to 1984, assumed his duties in November. He immediately directed his energies to:

(1) informing businesses and local government, particularly in Charlotte and Kings counties, of the new roles to be played by ACOA in economic development, the continuing role of the Department of Commerce and Technology and the Commission's role with respect to both agencies

(2) revising plans to meet the Commission's new relationship with the Economic Development Department of the City of Saint John

(3) initiating research on such important matters as free trade and improved highway systems

ACOA's mandate to assist in economic development, when announced, created some confusion concerning how its role might affect programs of the Department of Commerce and Technology - programs such as the Small Industry Financial Assistance Program.

To clarify the matter, meetings were held in Fredericton with Mr. Frank Swift, Vice-President of the organization. This was followed by an information session for all members of the Commission by Mr. Brian Dick, Federal Economic Coordinator of ACOA, assisted by Mr. Basil Small. The roles to be played by ACOA and the Department of Commerce and Technology are evolving and new procedures to deal effectively with both are being developed.

The Commission at Work

The Commission held 10 Board of Directors meetings during the year while the Executive met 14 times. The Executive also met seven times with the ministers of Commerce and Technology, the Honourable Fernand Dube and the Honourable Al Lacey, and four times with the Honourable Gerald Merrithew, Minister of State, Forestry and Mines.

To improve Commission efficiency and provide greater opportunity for member involvement, the Commission has established task forces or committees on transportation, free trade, industrial parks and on planning and priorities.

The transportation task force, chaired by Mr. Gil Carter, has developed a working document on the need for an improved truck highway network linking (a) Sussex, Saint John and St. Stephen, (b) Saint John, Fredericton and the Trans Canada Highway to Edmundston. Such a network is needed to facilitate the truck transportation of Maritime products to the New England markets, movement of goods by truck between the port of Saint John and other parts of New Brunswick and Quebec, and to serve, more adequately, New Brunswick's three major cities. The document is now being discussed with the municipal representatives of the region. The Commission will then present a brief, supported by the municipalities, to the provincial government.

The free trade task force, chaired by Gordon Mitchell has, to date, developed a 48-page report based on documents prepared by provincial and federal government departments and agencies, by private business and financial institutions. From this, a questionnaire is being developed to be completed by area businesses. Based on the replies received from the questionnaire, two reports will be prepared. One will become a

brief to government on areas of concern. The other will be used to develop a strategy that should help our region to take advantage of available opportunities.

The industrial parks committee, chaired by Al Craig, is developing guidelines and covenants designed to improve our existing parks. The committee is also attempting to clarify the Commissions's role with respect to Champlain Industrial Park at Bayside.

The quarterly reports of the Commission list and describe the Commission's many activities and services. These include programs, presentations, seminars, promotions, advertised visits and advising and assisting businesses in planning and/or securing financial assistance from agencies such as ACOA, Department of Regional Industrial Expansion and the Department of Commerce and Technology. Summaries will be included elsewhere in the report.

At this time I want to pay tribute to our general managers, Don O'Leary and Bill Thompson and staff members for the contribution that they have made to the work of the Commission and to say a "thank you" to those who have served as members of the Commission's Board of Directors. A thank you is extended as well to Economic Development Officer, Ron Gaudet, who left the staff to assume a business analyst position with Saint John's Youth Enterprise Centre.

We, as members of the Commission, feel honoured to serve our communities and are indebted to the municipalities of the region and to the Department of Commerce and Technology for their financial and other types of support.

In conclusion, as members of the Commission, we are committed to doing everything possible to improve the economic and business base of the region.

Respectfully submitted,

G. Forbes Elliot
Chairman

GENERAL MANAGER'S COMMENTS

Even though I had not assumed the General Manager's position until halfway through the third quarter of the 1987/88 fiscal year, I have witnessed, and have been part of, a great many activities relating to the economic development of southwestern New Brunswick.

Coming on board during a prolonged period of uncertainty concerning the Commission's future, this challenge had to be addressed in a positive manner. I feel the board of directors and staff have done so, but much depends on the municipal and provincial governments' reactions to the Price Waterhouse study of the province's economic development commissions. In the interim, a proactive strategy has been initiated in an effort to take advantage of as many regional economic development opportunities as possible.

The publication of the Atlantic Canada Opportunities Agency's "Action Program" in mid-February has, in effect, created significant opportunities in each of our member municipalities, for example, to explore and to identify in the form of studies, many potential sources of economic benefit. The Commission, where possible, has been assisting with these important initiatives.

The following report features many of the activities that the Commission has been involved with throughout the year, as well as provides overviews of certain industrial sectors. After examining it in detail, I am certain that the ongoing efforts of the staff and the board members will be recognized as having an impact on the region's development.

I would like to thank the Executive and regular board members, as well as our other municipal government representatives for their ongoing support throughout the year, particularly our Chairman, Forbes Elliot, who continues to willingly contribute and support the Commission's efforts in any way possible.

I must also thank the staff for providing a competent and dependable support system, without which many objectives could not have been achieved.

With the adoption of a proposed new operational and economic development strategy during the next year, I am confident that the Commission will be more productive, to result in more business establishments and expansions, more jobs and a stronger economic base in the southwestern portion of New Brunswick. Cooperatively, we can build a better future for the Fundy Region.

Yours truly,

William Thompson
General Manager

WMT/lv

BOARD OF DIRECTORS - 1987/1988

	Director	Occupation	Community
1.	Forbes Elliot	General Entrepreneur	Saint John
2.	William Bartlett	Chartered Account/Partner Touche Ross & Co.	Saint John
3.	Walter Flewelling	President, Willett Foods	Saint John
4.	John Emmerson	President, Eastern Paper	Saint John
5.	Peter Murray	Sales Manager, Moosehead Breweries Ltd.	Saint John
6.	Gil Carter	President, G.E. Barbour Company Ltd.	Sussex
7.	Keith Alward	Deputy Mayor & Owner/ Manager, Blue Unicorn Book Store	Sussex
8.	Ray Bursey	Retired Businessman	Hampton
9.	Walter Kozak	Deputy Mayor and Manager, Fundy Weir Fishermen's Association	St. Andrews
10.	Peter Frye	Stevedore/Bayside Stevedoring	St. Andrews*
11.	Al Craig	Controller, Armstrong Construction	St. George
12.	Glen Larsen	Lawyer	St. George*
13.	Gordon Mitchell	Insurance Salesman, North American Life	St. Stephen
14.	Frank McCallum	Shift Supervisor, Point Lepreau	St. Stephen
15.	Edward Kelly	Mayor and Insurance Agent, Kelly Insurance	Grand Bay
16.	Diane Bormke	Councillor, Business-woman	Grand Bay*

* Indicates "alternate"

Unusually, there were no changes in board members during the year except for the addition of Glen Larsen as an alternate for Al Craig of St. George. This was partially due to the major restructuring of the board of directors just prior to the beginning of the year which resulted in a significant reduction in the number of members representing each municipality's interests.

EXECUTIVE OFFICERS

Forbes Elliot	Chairman
Gil Carter	Vice Chairman
Gordon Mitchell	Vice Chairman
William Bartlett	Treasurer
Ray Bursey	Secretary

AUDITORS

Clarkson Gordon

BANKERS

The Bank of Nova Scotia
The Bank of Montreal

Commission Meetings

During the period from April 1, 1987 to March 31, 1988 the following meetings were held:

Board of Directors	9
Executive Committee	14
Annual Meeting	1

Total average director attendance at our meetings was 65%, up 10% over last year. This increase is partially due to the reduction in the number of representatives from each community. It has also been an interesting year for the Commission in many ways, some of which will be presented in this report.

Guest speakers continued to enhance the value of meetings to board members and their municipalities with respect to government priorities and perspectives, as well as assistance programs and services available to the business community.

Larry Armstrong, then Deputy Minister of Commerce and Technology, offered interesting and informative comments on current economic trends affecting the province at the annual meeting in May.

At the June meeting, Bob Bourgeois, Executive Director for the Department of Regional Industrial Expansion, spoke about his department's services and addressed board member concerns on economic development issues.

Blaine Justason, then Executive Director of Saint John's Youth Enterprise Centre spoke about its concept at the August meeting.

A highlight of the October meeting was Assistant Deputy Minister of the Department of Fisheries, Dave McMinn's presentation on the developing aquaculture industry in the province.

Jim Lovett, Director of Trade & Investment with the Department of Commerce and Technology explained his sections's role in February, including what is done to encourage foreign investment in New Brunswick.

At the March meeting, Brian Dick, Federal Economic Coordinator with the Atlantic Canada Opportunities Agency (ACOA) talked about ACOA's role and its development since its inception.

Economic Encounter '87

A number of Commission staff and board members attended the New Brunswick Industrial Commissioners' Association's "Economic Encounter '87", held on October 2 and 3 in Caraquet and Tracadie. This information session followed the Association's annual

meeting on October 1st and, among other things provided an opportunity for the province's commission board members to meet, discuss mutual concerns and new ideas, and to consider presentations relating to economic development. Our chairman, Forbes Elliot made a presentation on the chairman's or president's role in motivating a board of directors. This was the third such encounter organized by association members. The Department of Commerce and Technology has played a significant role in the establishment of this conference.

Commission Staff

Commission full-time staff throughout the year consisted of:

Don O'Leary/Bill Thompson - General Manager

The general manager is responsible for the overall management and administration of the Commission's activities and staff, policy planning and implementation, and economic development. He is also the primary representative on behalf of the organization to industry, media and all levels of government.

Don O'Leary left the Commission in July to assume the position of Director of Economic Development for the City of Saint John.

Bill Thompson accepted the general manager's position in November. He had held the same position for three years prior to Don O'Leary and agreed to return to assist the Commission through an uncertain period.

Ron Gaudet and Patricia McKinney - Economic Development Officers

Economic development officers are responsible for the promotion and, where applicable, administration of provincial and federal government assistance programs; representing the Commission at, and the organization of, business information sessions; industrial park activity; advising business interests on appropriate available properties; and providing general business and marketing advice to the business community which includes visiting the member municipalities.

IDAC Annual Meeting

Economic development officer Ron Gaudet attended the Industrial Developers' Association of Canada annual conference in Montreal between September 13th -15th. The theme of the conference was "1990 - Meeting the Challenge." Prior to this, he attended a pre-conference seminar entitled "Transition to Management for the Economic Development Practitioner." He also completed his final examination to complete the association's economic development program, administered by the University of Waterloo, resulting in him receiving his Ec.D. accreditation. This accomplishment has significantly added to Ron's qualifications in assisting business and in addressing regional economic development concerns in general.

Ron, left the organization in early February to work with Saint John's Youth Enterprise Centre as a business analyst. He is continuing his economic development efforts by encouraging development of young entrepreneurs.

Economic Development Officer Completes Year II - University of Waterloo

Between May 31 and June 5, Patricia McKinney completed the required courses of Year II toward an economic development accreditation at the University of Waterloo, offered in conjunction with the Industrial Developers' Association of Canada. Some topics covered during the six days of intensive study were accounting, assessing financial statements, utilization of industrial buildings, environmental issues, tourism, and using computers to assist with economic development.

Heather Hickson - Information & Promotion Officer

Heather is responsible for writing, editing, the layout and distribution of the Commission's Perspective newsletter and the preparation of quarterly/annual reports. She also provides general information services, arranges for all advertising including paid ads and press releases, undertakes special promotional projects and acts as an advisor to the support staff concerning office operation and procedures.

Theresa Flewwelling - Secretary/Receptionist

Theresa is responsible for reception duties, typing, word processing, filing, handling preparations for, and taking minutes of, Commission board meetings, photocopying, and office supplies requisitions.

Jean Penney - Bookkeeper/Secretary

Jean's responsibilities include bookkeeping, reception duties, processing outgoing mail, publication subscription maintenance, word processing, typing and other general secretarial duties in assisting the Secretary/Receptionist.

Lois Vincent - Replacement Secretary/Receptionist

In preparation for the secretary/receptionist's maternity leave the staff was fortunate to secure the services of Lois Vincent, a student of a job re-entry program coordinated by Secretarial Network and funded by Canada Employment and Immigration.

Summer Students

The Commission received approval for the hiring of two students under two government summer student employment programs.

One worked as a research assistant on a number of projects, while the other worked on the maintenance of local industrial parks.

PROVINCIAL GOVERNMENT ASSISTANCE

The Commission has always strived to maintain cooperative and productive relationships with staff of certain provincial government departments and related organizations.

Mutual benefits are derived as effective lines of communication are developed.

Department of Commerce and Technology

Staff Resources - The Department of Commerce and Technology continues to respond to Commission needs and concerns. Kevin Kearns acts as a liaison between the two organizations, keeping the staff and board of directors aware of changes and/or effects of departmental policy and procedures. He also responds to Commission enquiries as they relate to Commerce and Technology.

Claire Lepage, Manager of Regional Commissions has been an invaluable resource in supporting Commission efforts in many areas, always providing a quick response when addressing staff or board concerns and special projects.

Computer Standards Committee - A computer standards committee, established and coordinated by Commerce and Technology continued to meet throughout the year to oversee progress relating to the installation of computers in the province's industrial commissions last year. Training programs were organized and the committee continues to consider the acquisition of additional equipment/software to meet identified requirements. A Commission staff member has maintained a position on this committee since its inception.

Price Waterhouse Study - The consulting firm of Price Waterhouse was hired by the Department of Commerce and Technology to study the province's economic development commissions to determine a direction for future economic development efforts. At year-end the results had not been published. Forbes Elliot held a position on the steering committee.

Even though there has been a great deal of speculation about the future of the Commission, staff and board members are maintaining a positive attitude concerning recommendations which the government will choose to implement.

Licensing Consultant - Commerce and Technology undertook a significant initiative to assist business and potential entrepreneurs in the investigation of new products and processes, by securing the services of a licensing consultant who visits the region on a regular basis to meet with interested individuals. All services are free of charge.

Small Industry Financial Assistance Program (SIFAP)

For nearly a decade, Commerce and Technology has administered the Small Industry Financial Assistance Program, which has been one of the most successful programs offered by either the provincial government or the federal government.

Under normal circumstances regional commissions assist local business people with the application process.

To eligible companies, it offers 30%* of capital costs for business expansion and 50% of capital costs for business establishments. Capital costs and annual revenue can be no more than $150,000 and $1.5 million respectively, thereby limiting this program to certain businesses in the small business sector.

New Brunswick Industrial Development Board members meet regularly to assess and to make recommendations on all applications for financial assistance to industry. This assistance takes the form of a grant. There is also an appeal board which allows an applicant the opportunity to appeal a decision of the Industrial Development Board.

There was a 10% increase in regional project approvals this year over the 1986/87 fiscal year - 39 compared to 35. The following report summarizes SIFAP approvals in 1987/88.

* In October, this was changed to 50%, but was changed back to 30% in March.

SIFAP APPROVALS
APR. 1987-MAR. 1988

COMPANY NAME	LOCATION	ASSISTANCE	TOTAL COSTS$	JOBS
Wood-N-Things	Hampton	$17,748	$35,495	2
Cookes Shellfish Ltd.	St. George	$40,350	$80,700	6
Czobor Micro Information Co. Inc.	Fairvale	$27,020	$54,040	3
Helshiron Fisheries Ltd.	Seal Cove Grand Manan	$14,520	$48,400	3
J. & K. Enterprises Ltd.	Grand Harbour Grand Manan	$17,325	$34,650	3
J. & J. Investments Ltd.	Saint John	$21,756	$72,520	3
Smet Monumemts	St. Stephen	$27,300	$54,600	3
Belleisle Foods Ltd.	Belleisle Cr.	$35,901	$119,070	10
Calico Ridge Ltd.	St. Stephen	$1,500	$5,000	3
Sylvia's Dressmaking	Saint John	$7,500	$15,000	2
Whole Family Fish.	White Head Grand Manan	$9,975	$33,250	1
Barrett & Sons Boat Building	Back Bay	$23,958	$47,916	3
Seaside Woodworks	Saint John	$961	$3,203	0
Card Net Man.	Blacks Harbour	$34,393	$68,785	6
Colonial Fence	Norton	$27,500	$57,000	2
Jail Island Salmon	St. George	$15,888	$52,960	2
Loyalist Ceramics Cen.	Saint John	$23,693	$47,386	4
Taylor Wood Products	St. Andrews	$9,474	$31,581	1
Digital Products Ltd.	Saint John	$29,912	$99,706	8
Dufour Cedar Products	St.Stephen	$10,020	$33,400	4
Green's Sea Products	Grand Manan	$22,410	$74,700	5

ICM Inc.	Saint John	$3,000	$6,000	2.5
Silliphant Process Ltd.	St. George	$55,430	$110,860	3.5
Sussex Silica Inc.	Sussex Co.	$74,000	$148,000	6
East Coast Plastics & Screen Print Limited	Saint John	$58,000	$116,000	4
Easy Kleen Systems Ltd.	Hatfield Point	$25,908	$51,815	5
Parsons Printing	St. Stephen	$16,115	$32,229	1
Puffin Knitwear	Grand Manan	$2,400	$4,800	1
Tibbetts Jams	Rothesay	$4,172	$8,344	3.5
John L. Ingersoll & Sons	Grand Manan	$8,500	$17,000	1
Bourque Aquaculture Equipment Ltd.	Saint John	$64,020	$128,041	7
Calico Ridge Ltd.	St. Stephen	$9,305	$18,610	2
Trent Industrial Contractors Ltd.	Saint John	$31,500	$63,000	3
Fundy Computer Services	Saint John	$40,000	$80,000	9
Helshiron Fisheries Ltd.	Grand Manan	$29,000	$58,000	4
IF Box Inc.	Saint John	$75,000	$150,000	2
Blue Heron Printing Company Ltd.	St. Stephen	$43,000	$86,000	3
Smet Monuments	St. Stephen	$45,000	$90,000	2
TOTAL		$1,003,454	$2,238,061	134

NOTE: These are projects which were approved for assistance and do not necessarily represent all those which accepted the offer as of year-end 1987/88.

Other Department of Commerce and Technology Services

The Commission also works with the Trade Division of Commerce and Technology, hosting a number of business missions from the Far East.

Specifically, this section of the department provides assistance for business export development including market planning, trade show participation, trade missions, incoming buyers missions, technical consulting services and management consulting services. It also administers the "Trade Assistance Program" which has been established to assist businesses to expand domestic (but out of province) and export markets.

Eighteen companies in the Saint John Fundy Region received a total of $16,359 in assistance under this program during the year.

The Industry Services Section offers various industry specialists who assist businesses in specific industries to develop, by securing applicable federal/provincial government services and programs. The staff also oversees computer-aided-design/computer-aided-manufacturing centres and other groups interested in technology development including technology transfer and strategic technology for the future.

In line with its technology transfer responsibility for example, division representatives will be taking a group of business people who are interested in finding new products to manufacture to Tech Ex '88 in May, the largest international licensing exhibition of its kind.

Commerce and Technology is also responsible for the provincial government's interest in the Canada/New Brunswick Subsidiary Agreement on Industrial Development and the Canada/New Brunswick Subsidiary Agreement on Industrial Innovation and Technology Development (see section on federal government for more information on agreement approvals).

Department of Labour/Employment and Immigration Canada

During the year, the provincial Department of Labour and the federal Department of Employment and Immigration Canada, offered many job creation programs which resulted in business development. The region's business community took advantage of several programs which provided assistance in the hiring of post secondary graduates in their fields of study (Career Start Program), disabled and chronically unemployed individuals (Jobs In Business Program), and those for the tourism industry, including construction workers (Tourism Development Program). There is also a Student Venture Capital Program which offers

loans of up to $3,000 for students to start a summer business. Also, the annual Challenge Program aims at providing students with learning experiences in the work force. The Commission takes advantage of this program every year in undertaking special projects.

The New Brunswick Entrepreneur Program is new and offers interest-free start-up loans of up to maximum of $10,000 to entrepreneurs who wish to plan and operate their own businesses. Administered by the Department of Labour, the Commission has distributed in excess of 1000 applications. The program was announced in early January 1988.

Detailed listings of eligibility criteria are included in each program outline, available at the Commission's office.

The following reports on regional activity during the year for these and other programs:

Program	Total Assistance Approved	Permanent Jobs Created
Jobs in Business	$588,796	169
New Brunswick Entrepreneur	187,532	N/A
Business Diversification	162,000	69
Tourism Development	56,745	42
Career Start	82,906	18
Student Venture Capital	64,000	N/A
Totals	$1,141,979	298

Tourism, Recreation and Heritage

Department of Tourism, Recreation and Heritage representatives administer provincial applications under the $32 million Canada/New Brunswick Subsidiary Agreement on Tourism Development.

See the following list of regional approvals under this program:

SAINT JOHN FUNDY REGION APPROVALS

Canada/New Brunswick Subsidiary Agreement on Tourism Development

	Name	Location	Total Costs	Assistance
1.	M.V. Cathy & Trevor (tour boat)	Deer Island	$ 82,734	$ 30,130
2.	Saint John Marina Ltd.	Saint John	205,400	77,870
3.	Saint John Bi Capitol	Saint John		1,800,000
4.	Poley Mountain Dev. Ltd.	Sussex	1,800,000	560,000
5.	World Chess Festival	Saint John	-	109,395
6.	Saint John Power Boat Club	Saint John	195,000	78,500
7.	M.M.S. Ltd.	St. Andrews	-	2,275
8.	Osprey Travel	St. Andrews	-	1,995
9.	Loon Bay Lodge	St. Andrews	-	9,000
10.	Andy's Cabins	St. Stephen	-	1,034
11.	Hardings Pt. Campground	Westfield	60,094	127,255
12.	Fairway Motor Inn	Sussex	156,500	67,000
13.	Osprey Travel	St. Andrews	1,585	713
14.	Canada Games Aquatic Ctr.	Saint John	9,000	3,150
	Total Assistance			$2,868,317

Assistance provided during the year represents an increase of more than 460 percent over the previous year ($2,868,317 in 1987/88, compared to $509,762 in 1986/87).

Technology Venture Initiative (TVI)

Technology Venture Initiative is a new support program which helps New Brunswick entrepreneurs, innovators and inventors commercialize new technologies.

Funded under the Canada/New Brunswick Subsidiary Agreement on Industrial Innovation and Technology Development, it is administered federally by the Atlantic Canada Opportunities Agency and provincially by the Department of Commerce and Technology.

Operating out of an office in Fredericton, TVI's staff offers many free services including identifying and evaluating inventions and new ideas, assisting potential entrepreneurs to access business planning and marketing opportunities, and identifying and establishing contacts with sources of financing and information. The TVI can also provide valuable contacts in different areas who can help to develop and launch products/services.

Atlantic Canada Opportunities Agency (ACOA)

It was a year of relative uncertainty concerning some federal government business financial assistance programs until the Atlantic Canada Opportunities Agency finally made public details of its mandate and its "Action Program."

In June, Prime Minister Brian Mulroney announced that ACOA would be established with a federal commitment of $1.05 billion in new money over five years for the economic benefit of the Atlantic provinces.

The organization's main objective is to develop and implement programs contributing to the long-term economic development of Atlantic Canada. It also coordinates all federal activities contributing to the economic growth of the region.

In effect, it assumed administration of programs which were previously the responsibility of the Department of Regional Industrial Expansion, including the federal/provincial government agreements.

The Action Program improves and simplifies two others - the Industrial and Regional Development Program and the Atlantic Enterprise Program, offering assistance with loan insurance, interest buy-downs, capital contributions, innovation assistance, business studies and business support.

It makes more business sectors than ever eligible and promises streamlined operations to result in quick turnaround time for project approvals.

The following provides a summary of project approvals under a number of the various federal, and federal/provincial programs and agreements, with the exception of the subsidiary agreement on tourism which is covered under Tourism, Recreation and Heritage included in the "Provincial Government Assistance" section of this report. The projects are listed in chronological order, (re press release date) by program/agreement.

Industrial and Regional Development Program (IRDP)/Atlantic Enterprise Program (AEP)

- Rothesay Paper Limited of Saint John received $334,500 under the IRDP to assist with estimated costs of $2.4 million for the installation of an electronic roll handling and tracking

system. The tracking system makes the mill more efficient in planning, manufacturing, inventory control, customer data, order status and roll handling. The new equipment will identify, weigh and label each roll of production.

- A $3.4 million expansion in the form of a new building is now complete at the PCL and Eastern Packaging plant in Grandview Industrial Park. A repayable contribution to the project of $858,250 was provided under the IRDP. Commission staff members attended a grand opening on October 7th.

- Five new jobs were created at Saint John's Wayside Industries (1983) Ltd. when an estimated $314,400 expansion project was completed in January 1988. Under IRDP, the company received $78,600, while it had 85 per cent of its bank loan insured by DRIE and a 5 per cent buy-down of its loan interest, under AEP equal to a contribution of $57,750. The company will add a new building to the existing facilities and new equipment will be installed to allow production of an in-demand cardboard container for the fishing industry.

- A $2.4 million expansion at the Grandview Industrial Park plant of NovaStran (1986) Ltd. created 18 new jobs. Under IRDP, the company received a contribution of $322,000. Under the AEP, the government bought down the expansion loan interest by 5 per cent, equivalent to a further contribution of $181,500.

- A new 32-unit motor inn, with an indoor swimming pool and saunas, will be built in the resort community of St. Andrews during 1988. The St. Andrews Motor Inn, will be assisted by AEP with a six per cent interest buy-down on a project loan, equal to a contribution of $172,000. In addition, the AEP will provide 85 per cent loan insurance on a term loan of $512,000. The inn will be located on a waterfront property overlooking Passamaquoddy Bay.

Total assistance provided under the two programs for the year was $2,004,600. This represents a 175 per cent increase over the previous year ($727,748 in 1986/87).

It should be noted, however, that there were no approvals during 1986/87 under the Atlantic Enterprise Program which provides loan guarantees for new term loans of $100,000 or more, as well as interest buy-downs for new term loans of $25,000 or more, up to a maximum of six percentage points.

Canada/New Brunswick Subsidiary Agreement on Industrial Development

The federal and provincial governments signed the Subsidiary Agreement on Industrial Development in December 1985 with the

objectives of expanding and diversifying the industrial base within New Brunswick, improving the climate for industrial development, expanding and diversifying the economy, and increasing domestic and foreign market penetration by New Brunswick products. There are three programs under the sub-agreement, which expires in 1990. The federal government is contributing $21 million and the provincial government is contributing $9 million for a total of $30 million. Notification of nine regional approvals have been received. Total assistance was $477,883 which represents an 89% increase in funding over the previous year ($253,012).

- Atlantic Dental Laboratories Ltd. of Sussex, received $12,500 in funding to assist with the salary of a new ceramist. The new technician is operating a porcelain fused to gold department, bringing to the company new procedures and techniques which have only recently become available. Keeping up-to-date ensures job stability for existing staff members.

- Two Saint John high technology firms received a total of $33,012 to assist with marketing efforts. Digital Products Ltd., received $15,012 to help with the presentation of its unique telephone testing equipment at trade shows in the United States. Repairtec Ltd., received $18,000 to hire a marketing manager to develop and implement a marketing strategy for present and future needs.

- Over half a million dollars was spent on upgrading the water distribution system that serves Sussex Industrial Park. The federal and provincial governments contributed $263,250 of the $544,300 costs involved. The old water supply system was not sufficient to permit expansion of companies already established. The completion of this project allows business growth which will economically benefit the Sussex area.

- Brookville Manufacturing Co. received $7,988 towards the cost of conducting a marketing study. This study assisted the company in determining potential markets for calcium carbonate, a substance used in making lime and fine paper.

- Bourque Industrial Ltd. received $18,000 in funding towards the cost of hiring an engineer. The creation of this position enabled the company to form a miscellaneous steel department to complement its present manufacturing capabilities.

- A marketing consultant was hired by Dairytown Products Ltd. of Sussex with $20,000 in funding. This project should produce positive long-term results for the company.

- Digital Products Ltd. of Saint John received an $11,000 contribution towards the cost of hiring a new manufacturing manager. Although the company is relatively new, direct sales

of some products have already exceeded expectations.

- Microwave Techniques (Canada) Ltd., in Grandview Industrial Park, received $36,000 to assist with the hiring of a manufacturing manager and a production control manager. With its unique telephone line testing unit creating interest in world markets, rigid specifications must be achieved to meet international standards. And more recently the company received a five percent loan buy-down, equal to $76,133, to assist with a $1.6 million project which includes establishing a new facility to design, develop and manufacture a full range of microwave products and components. Nineteen jobs were created.

Canada/New Brunswick Subsidiary Agreement On Industrial Innovation And Technology Development

In May, 1986 the federal and provincial governments signed the $28.6 million Subsidiary Agreement on Industrial Innovation and Technology Development. The agreement is aimed at increasing the competitiveness of existing industry through technology transfers and by diversifying New Brunswick's industrial base. The five-year agreement, ending in 1991, is being funded 70 percent, to a maximum of $20 million, by the federal government through DRIE and 30 percent by the provincial government, to a total of $8.6 million, through Commerce and Technology.

- With its first unique blood plasma thawing units functioning successfully in the Saint John Regional Hospital, Westmorland Laboratories Inc. has been allocated $35,278 under a component of the agreement. The unit is attracting world-wide interest. The company plans to develop marketing efforts to assist with its global acceptance.

- The Huntsman Marine Science Centre received $180,000 in funding to cover operating expenses during the first quarter of 1988. The Centre, located near St. Andrews, plays a major role in meeting the research and education needs of New Brunswick in the field of marine sciences.

Regional assistance totalled $215,278 for the year. There were no project approvals during 1986/87.

Atlantic Opportunities Program

The Atlantic Opportunities Program, effective December 1986, is a major federal government initiative which is comprised of a special set of measures designed to increase public purchasing in Atlantic Canada by $600 million over four years.

The basic goal of the program is the use of public procurement to foster long-term jobs in Atlantic Canada by increasing purchases from Atlantic firms to respond to ongoing needs, exploiting opportunities for participation by Atlantic firms in large-scale procurement, and developing Atlantic companies as competitive suppliers. The program seems to be working well. For example, at year-end 1985/86 (Mar.31/86) $456.8 million had been spent in Atlantic Canada. The dollar objective for 1986/87, the first year of the program was $550 million, while the actual was $573.3 million or 4.2 percent over budget. Results for the last fiscal year are not yet available.

Program for Export Market Development (PEMD)

To assist regional businesses with developing export markets, the Department of External Affairs, through Regional Industrial Expansion (at year-end), offers the Program for Export Market Development.

PEMD provides up to 50% of costs related to such expenses as travel, booth space in a foreign trade show, and promotional literature production for the development of sales out of Canada. If the participant is successful and sales result from the promotion, contributions from the program are repayable over a period of time. There are also other export promotions eligible under this program.

During the fiscal year, eight regional project applications received approval, representing $14,876 in assistance. Six projects were directed primarily at U.S. markets and two were aimed at developing Italian, French and Swiss markets.

Community Futures Program

In January 1987, Canada Employment and Immigration designated Charlotte County as a "Community Futures Program" area. The program, part of the Canadian Jobs Strategy, was designed to help communities hit by major lay-offs and plant closures. It is also aimed at communities struggling with economic decline, but which have some opportunity for permanent growth and development. Emphasis is on employment and small business development.

The current objective of the program is to assist communities in their efforts to identify, develop and implement measures to help individuals adjust to their economic environment and expand employment.

Once Charlotte County was selected, a Community Futures Committee was established made up of representatives of business, labour, government and the local communities, whose task it is to analyze

the area's problems, identify solutions and recommend to the government the most appropriate Community Futures and other program options available.

One recommendation has been realized with the establishment of the Charlotte County Business Development Centre in St. Stephen which provides advisory services and loan assistance to small business for the creation of permanent employment.

The committee spent the remainder of 1987/88 on the development of a five-year plan for employment and economic development.

Commission staff has worked cooperatively with the Charlotte County Business Development Centre on a number of projects including business information sessions and the Charlotte County Business Expo held last November.

Youth Enterprise Centre (YEC)

In 1987, Canada Employment and Immigration, under the Canadian Jobs Strategy, sponsored the establishment of Saint John's "Youth Enterprise Centre." This is one of nine such centres in Canada set up by the YMCA. It is governed by a board of directors.

The YEC provides 12 weeks of training in business planning, establishment, marketing and management. The program is open to unemployed individuals between the ages of 16-30 who have plans of starting or expanding their own businesses.

As of March 31, 1988 three programs had been completed, resulting in the establishment of 20 businesses in the Saint John area.

Local Advisory Council/Canadian Jobs Strategy

Canada Employment and Immigration (CEIC) has established "Local Advisory Councils" around the province made up of representatives of business, labour, community and government organizations, to make recommendations to CEIC staff on the delivery of programs and services under the Canadian Jobs Strategy.

A Commission staff member has been on the local council since its inception.

A survey of Council members was undertaken which provided the Commission with the opportunity to make recommendations for job creation and employee training programs which are currently being considered.

National Research Council (NRC)

The National Research Council is maintaining a field office in Saint John on the campus of the University of New Brunswick.

One of Canada's most valuable research and development resources, one of its more successful programs is the Industrial Research Assistance Program (IRAP). Categories under the IRAP include field advisory service, technical information service, contribution to firms employing undergraduates and contributions to laboratory investigations. Local office staff promises fast and efficient project application approval.

INDUSTRIAL PARKS ACTIVITY

The Commission continued to coordinate its annual summer maintenance program for the industrial parks in Saint John (Grandview, Spruce Lake and MacAllister industrial parks). Some funding was provided by the provincial government under a job creation program. Additional funds were made available from the City of Saint John.

Activity General

There was considerable activity in most of the region's industrial parks during the year.

- The Town of Sussex secured federal and provincial government funding to upgrade the water system in Sussex Industrial Park to better serve existing and future tenants.

- Commission staff arranged for the Spruce Lake Industrial Park sign to be painted.

- Pete's Frootique established a wholesale distribution centre in Grandview Industrial Park.

- NovaStran (1986) Ltd. completed a $2.4 million expansion to its plant in Grandview Industrial Park, in effect, doubling its size.

- PCL & Eastern Packaging undertook a $3.4 million expansion to its plant located in Grandview Industrial Park.

- Microwave Techniques Canada Ltd., also located in Grandview, undertook a $1.6 million project which included establishing a new facility to design, develop and manufacture a full range of microwave products and components.

- Promotional brochures (including maps) of all of the region's industrial parks have been updated or developed including current tenant listings.

- The Commission is working with Canada Employment and Immigration to provide funding for a heavy equipment training program which would include grading and levelling of Saint John's industrial parks.

- The Executive has appointed a committee to review the existing covenants and guidelines governing the region's industrial parks.

- Commission representatives are working with the Department of Commerce and Technology to allow our organization more authority in the promotion and sale of land in Champlain Industrial Park.

- The Commission received two offers of land in the Sussex Industrial Park.

- Staff has been working with Town of Sussex representatives to plan a strategy for acquiring government funding to upgrade infrastructure services and facilities in the Sussex Industrial Park.

- The Department of Commerce and Technology is preparing a report on industrial parks in the province which will address several aspects including land availability. Commission staff members have provided input.

- Commission staff members have been working with Commerce and Technology and City of Saint John Economic Development Department representatives concerning future development of McAllister Industrial Park relating to roadways, land use and lot sizes.

Efforts will continue toward further physical development the region's industrial parks. The Commission will also work with applicable provincial and municipal government departments to streamline the process involved in the sale of land in the parks. It is hoped that a "procedures" document will be developed to expedite transactions for the benefit of all involved.

The following provides an overview of several regional industrial sectors which have experienced certain developments or issues during the year which have had a positive or negative economic impact.

Aquaculture

As anticipated, the aquaculture industry in southwestern New Brunswick has continued to develop positively during the year. In 1986, $6-8 million was generated from salmon and trout production. Last year, however, revenue rose close to $17 million. It is forecasted that the industry will produce over $27 million in 1988, $56 million in 1989, $70 million in 1990 and $83.5 million in 1991.

In addition to this, experts have estimated that the industry now generates close to 1000 man-years of employment in Charlotte County alone.

Although the Department of Fisheries has 32 grow-out operations registered, some feel there is room for another 20 salmon farms in the region. Establishment of these facilities, has been inhibited by the ongoing problem of an insufficient supply of smolt (young salmon which mature to market size at grow-out facilities). Considering existing sites and expansion plans, industry representatives predict that over 3,000,000 salmon smolt will be required by 1989.

Although some smolt are provided by federal government hatcheries, other private sector organizations are attempting to address the situation because without a sufficient smolt supply, there will be no industry growth. Companies such as Sea Farm Canada Ltd. and Connors Bros. are involved with supplying smolt to growers.

Recently, a new company called Silver Smolt Farms Ltd. has been established in Charlotte County to work toward assisting the industry in this way also.

As well, at year-end, the Town of St. George and Commission representatives were hopeful for the establishment of an aquaculture service centre at a newly designated industrial park in the area.

It is projected that fish consumption by North Americans will

more than double within the next five years. Currently, about 15% of aquatic products consumed throughout the world are produced by aquaculture. By the year 2000, this figure should rise to well in excess of 20%.

To provide a more efficient and streamlined approach in dealing with aquaculture affairs from a government perspective, the provincial Department of Fisheries and Aquaculture has assumed all government responsibilities relating to this industry.

As a point of interest, between July 1-3, 1988 St. Andrews will host the first-ever aquaculture fair including produce and food shows, aquaculture information sessions, salmon barbecues, and water events and demonstrations. Commission representatives will be participating.

Fishing General

In early April, Commission staff members attended a meeting in St. Stephen between Fisheries and Oceans Minister Tom Sidden, Forestry and Mines Minister Gerald Merrithew and laid-off Star Kist tuna plant workers. The meeting resulted in accelerated efforts to resolve problems associated with the plant's closure to effect its reopening as soon as possible.

Although the plant was reopened during the year, total production has not been achieved primarily due to an insufficient fish supply. At year-end, the company was still not able to secure an adequate supply of tuna fish to meet production demands.

It was an average year for herring catches (about 27,000 metric tonnes) in the region. Weirs around Grand Manan Island were very productive compared to mainland coastal weirs. Since the herring caught around Grand Manan are larger (3 year-olds), Connors Bros. had to import a quantity of smaller herring (1 and 2 year-olds) from Norway to facilitate production of a special product line of connoisseur sardines.

Mining

Potash - Although 95 per cent of all potash production is used as a fertilizer component, it is also being used in the manufacturing of quality glass, dyes and detergents. Even though world demand for potash has been down recently, it is estimated that potash shipments from the Denison Potocan Potash Company and the Potash Company of America (near Sussex), through the potash terminal at the Port of Saint John, will exceed two million tonnes annually by 1990 (loading capacity is 2,700 tonnes per hour).
The Potash Company of America (PCA) currently produces 700,000

tonnes annually (with a one million tonnes per year capacity). It has also recently begun mining de-icing salt. PCA employs 330 people.

About ten per cent of the potash mined at Denison is in fine powder form which does not have the value of regular refined potash. During the year, the mine completed a crystallization plant which changes the powder into cubes, a product which can be sold.

Both mines continue to significantly contribute to Kings County's economy in employment and spin-off benefits.

Gold - The Cape Spencer gold mine, operated by Gordex Minerals Limited is considering a $2 million expansion to its facilities to allow for year round production. The mine, which extracts the gold using a "heap leaching" method, estimates 100,000 tons of ore will be processed in 1988 and 200,000 in 1989.

Shipbuilding

The federal government's December announcement that an additional six frigates will be built at Saint John Shipbuilding Ltd., guarantees that jobs created by the first series and the many spin-offs to the manufacturing and service sectors should continue for the next eight years. Jobs for 1200 hourly-paid unionized employees and 1,000 office/technical personnel will be maintained until 1996.

Saint John Shipbuilding is developing as a centre of shipbuilding excellence under the $6.2 billion Canadian Patrol Frigate Program.

Three of the original six frigates are in various stages of construction, while the other three are being built at Quebec shipyards. The HMCS Halifax (being built in Saint John), the first to be launched, will undergo sea trials beginning in May and will be delivered to the navy in October 1989.

And there are more opportunities on the horizon. The federal government will be calling for tenders during the summer of 1988 for the construction of a fleet of nuclear-powered submarines. The local shipyard and the provincial government are in the process of lobbying for the contract estimated to be worth $8 billion over 25 years.

Energy

Although it appears that the government does not feel the

construction of a second unit at Point Lepreau is a viable project at this time, there seems to be some optimism concerning a number of other energy-related projects in the region including - a new 100 megawatt thermal plant at Coleson Cove, a $175 million conversion from oil to a Venezuelan liquified heavy crude oil, at Coleson Cove, and the construction of a small wood-burning power plant in the Sussex area.

Tourism

The tourism industry is becoming increasingly important to the provincial and regional economies and it still has tremendous growth potential.

Although no breakdowns are available for regional tourist-related expenditures in 1987, provincial revenue totalled over $497 million. This figure is expected to increase to $526 million in 1988.

The provincial government has committed to increasing marketing efforts in out-of-province markets and identifying beneficial changes to highway signage.

More and more, government programs are being geared to assist development of the tourism industry which has encouraged the initiation of a number of regional projects. Of particular note is the concept and feasibility study undertaken for a proposed $23 million chocolate theme park near St. Stephen. It has been said that the community is "sitting on a gold mine" in terms of tourist traffic which passes through the border, but tourists need an attraction to encourage them to stop and stay in the area.

There are plans to study tourism potential and special tourism related projects in other areas as well including the St. John River and its tributaries, the "falls and gorge" at St. George and recreational facilities in Hampton.

Forestry

Eighty-five per cent or six million hectares of the province's land area is productive forest land. Considering this, it comes as no surprise that one in seven New Brunswickers are employed in the forest industry. This is indicative of the importance of forestry to the region's economy as well.

There was stability in most forestry-related businesses in 1987. Although softwood producers had to make some adjustments and absorb losses due to the 15 per cent federal tax imposed on Canadian softwood shipped to the United States, the pulp and

paper producers and those involved in the home construction business experienced a relatively profitable year.

Forest management, with assistance from the provincial and federal governments, continues to be a primary concern to protect and regenerate this precious natural resource. The governments' commitment to this is also evidenced by the construction of the $85 million Hugh John Flemming Forestry Centre in Fredericton which will have its official opening in May 1988. It has already become an internationally-recognized centre of forestry excellence.

Free Trade

As mentioned earlier in this report, the Commission has established a free trade task force which is analyzing the potential effects of free trade on the region's industries/businesses. There will be winners and losers, but results indicate that the bottom line will reflect a positive effect on the area's economy.

And, if one considers the alternative of no trade deal, in the long-term, it is logical to expect increasingly negative impacts of growing U.S. protectionism measures.

The Commission's efforts cover a wide range of activities, many of which are in the form of promotional projects.

All, however, maintain a view to the basic mandate of the organization - to promote and encourage economic development in southwestern New Brunswick.

The following provides brief reports on many of these activities.

Business Information Sessions

During the year, Commission staff worked independently or cooperatively with other organizations in coordinating the presentation of a variety of business information sessions/seminars. These include:

- marketing seminars in Sussex and Saint John
- presentations to business students at the University of New Brunswick, New Brunswick Community College and the Youth Enterprise Centre on the topic of the small business sector and its contribution to economic growth
- presentations to service clubs/associations on applicable topics of concern
- venture capital information sessions
- advertised visits to member municipalities to meet with business people
- co-sponsorship of a business expo in St. Andrews
- setting up meetings between representatives of Commerce and Technology's Science and Technology Secretariat and the region's fishing, food and beverage, and communication industries (those with an interest in technology transfer)
- the Commission, in conjunction with the City of Saint John's Economic Development Department and the Charlotte County Business Development Centre, organizing information sessions in Saint John, St. Stephen and Pennfield on available assistance programs

- hosting of a Department of Regional Industrial Expansion two-day product licensing information session during small business week

- organization of a business information expo during Small Business Week in cooperation with Saint John's Economic Development Department, the Saint John Board of Trade and the Federal Business Development Bank. About 25 organizations of interest to the business community participated, offering free consultative services

- organization of a press conference and dinner in December in St. Stephen featuring Public Works Minister Stewart McInnes. The topic of discussion was the free trade agreement.

Maine Business Mission

In April, Commission staff members took a delegation of 14 on a three-day business mission to Maine. The tour included visits to Waterville, Lewiston and South Paris-Norway. Participants, who represented manufacturing, processing, consulting and business development organizations, met with appropriate business people in each community in an effort to promote or establish business deals, as well as learn more about the market in this area of Maine.

DRIE Meeting with Charlotte County Mayors

The general manager organized a meeting on April 28th in St. Andrews between DRIE representatives and Charlotte County mayors to discuss what this federal government department can offer and review the economic concerns of Charlotte County. There was a follow-up meeting in St. Stephen on June 22nd. This is part of an ongoing effort by the government to address economic development in this economically-depressed area of the province.

Potential Member Communities

The general manager addressed Quispamsis and Blacks Harbour municipal councils on May 5th and May 25th, respectively, on the possibility of these communities becoming members of the Commission. The general manager's proposals are being considered.

Junior Achievement (JA)

Commission staff members have been actively involved in the Junior Achievement program as student advisors since it started in the area about four years ago. The process involves assisting high school students in the planning and formation of a company including capital acquisition, product development, marketing, liquidation of assets and company closure. At the end of the 1986/87 program, the Commission advisors' company won "the most improved" award.

Executive Meet With Fernand Dube

On May 6th the Executive Committee and general manager met with Commerce and Technology Minister, Fernand Dube concerning the future of provincial economic development commissions in general and miscellaneous regional economic issues.

Bangor Group Visits

The City of Saint John hosted a delegation from Bangor, Maine on May 21, 22 and 23. The general manager assisted with the organization of certain events including an industrial tour of the city. Bangor delegates included municipal, business, educational and health representatives. This visit was part of an ongoing effort to strengthen business, cultural, social and educational ties with the state of Maine.

Commission Hosts Chinese Delegation

On September 29th, a delegation of seven potential business investors from Hong Kong visited Saint John as part of a three-day tour of the major centres in the province. The individuals are interested in the possibility of immigrating to New Brunswick and establishing new businesses or assuming ownership of existing businesses.

Trade Mission from Taiwan

Staff members hosted a trade delegation from Taiwan on January 25th. Interested in the possible establishment of businesses in Saint John, the group was taken on a tour of the city and port, to a meeting with the mayor and a briefing session to familiarize the visitors with what the area has to offer in terms of life style and business development.

CASE Open House

A staff member represented the Commission at a February 23rd Counselling Assistance for Small Enterprises (CASE) open house, co-sponsored by the Federal Business Development Bank and the Commission. During the day, free counselling sessions were offered on practically every aspect of business operation and development.

Hong Kong Delegation

Commission staff members hosted a business delegation from Hong Kong on February 23rd. After a briefing session in our office and a meeting with the mayor of Saint John, the group was split and taken on tours and met with business representatives relating to the individuals' fields of interest.

Meeting With Grand Bay Representatives

The general manager met with representatives of the Grand Bay business community on February 25th concerning the possible establishment of a business improvement area and a chamber of commerce.

Cooperative Presentation of Brief

Representatives of the Commission, the Saint John Economic Development Council and the city's Economic Development Department presented a brief on March 11th to the federal government's Legislative Committee on Bill C-103, an act to establish the Atlantic Canada Opportunities Agency and the Enterprise Cape Breton Corporation. This was a public hearing, an opportunity to address concerns prior to the adoption of the bill. Recommendations included in the brief were well received.

Meeting With Gerald Merrithew

The general manager, members of the Executive Committee, as well as representatives of the City of Saint John's Economic Development Council and Economic Development Department met with the Honourable Gerald Merrithew, Minister of State (Forestry and Mines) on March 18th to address regional concerns including transportation issues and the aquaculture industry.

Free Trade Symposium

A staff representative attended a symposium on free trade on March 30th in Bangor, Maine. Presented by the Canadian/American Centre of the University of Maine and the Maine State Planning Office, discussions centered around the impact of the free trade agreement on Maine business and Canadian-American business relations.

Trans Canada Highway Study Analysis

Representatives of the Commission, the Saint John Board of Trade, the Saint John Economic Development Advisory Board and the Saint John Construction and Road Builders' associations have met on a number of occasions to develop recommendations concerning improved Trans Canada Highway facilities throughout southwestern New Brunswick from Sussex to St. Stephen. A brief will be presented to the proper government officials as a lobbying effort on behalf of the region.

NBICA Meetings

Commission staff members, often along with the Chairman, attended several New Brunswick Industrial Commissioners' Association meetings throughout the year. In April, the association's quarterly meeting was held in Saint John and hosted by the Commission. Informative presentations by well known guest speakers are always on the agenda.

PERSPECTIVE Newsletter

Six issues of our bi-monthly PERSPECTIVE newsletter were published during the year. Distribution has been maintained at approximately 1000 on the mailing list which includes municipal, provincial and federal government representatives, regional manufacturers/processors, bankers, accountants, media and a wide variety of miscellaneous business representatives.

The Commission continues to use the newsletter as a vehicle to promote economic development by keeping subscribers aware of available financial assistance programs and approvals, information on financial investments, product licensing information, special activities of the Commission and businesses or industries of interest.

During the last quarter, the printer of this publication went out of business but staff were able to find a satisfactory replacement at close to half the cost. The size of the newsletter was also reduced from eight pages to six pages.

Community Profiles

During the year the St. Andrews, St. Stephen and Hampton community profiles were completed and work had commenced on the development of the St. George Community Profile.

It is anticipated that by the fall of 1988, the St. George and Grand Bay profiles will be completed and a number of the others updated.

Regional Business Mailing Lists

A staff member coordinated the preparation of a Saint John Fundy Region business mailing list which can be broken down and made available by the business sector for a minimal cost. Information on each organization includes the company's name, mailing address, telephone number and S.I.C. Code.

Directory of Manufacturers and Processors

The regional "Directory of Manufacturers and Processors" is in a state of transformation. A new program is being implemented based on a Department of Regional Industrial Expansion system. Updates are being made and a hard copy is expected early in the new fiscal year.

Advertising

The Commission's promotional strategy and budget dictate that the primary market area for paid advertising is the Saint John Fundy Region. Gone are the days when the Commission was actively involved in business "seek and find" efforts, (e.g., outside of the province and country.) This is not to say that there is no interest in potential "foreign" investors, but simply that a lot of time and money are no longer put into advertising to lure potential investors into the region.

In recent years, more and more effort has been directed toward assisting local businesses and entrepreneurs establish new businesses or maintain/expand existing ones.

The following list of paid ads is indicative of this strategy:

- Advertised visits to our member municipalities in April, May and June were announced in regional newspapers. Notices for public service announcements were also sent to cable T.V. and radio stations throughout the area.

- In April, the Commission purchased an ad in the Brunswick Business Journal to complement an article on the general manager and his work with the Commission.

- The Commission also purchased an ad in the Telegraph Journal/Evening Times Globe's National Transportation Week supplement published in May.

- An ad was purchased in The Citizen in June concerning the opening of the Quaco Inn in St. Martins. The Inn received assistance under the Canada-New Brunswick Subsidiary Agreement on Tourism Agreement and the Commission took this opportunity to promote the agreement.

- Ad in August Evening Times Globe re Pete's Frootique moving into Grandview Industrial Park with a wholesale facility.

- Ad in September's Brunswick Business Journal which featured Saint John.

- Ads in September Telegraph Journal, Kings County Record and St. Croix Courier, as well as several public service announcements publicizing the N.B. Labour Programs information sessions in St. Stephen, St. Andrews, Sussex and Saint John. Also, a staff member was interviewed on K-100 radio concerning this and the work of the Commission in general.

- July ad in the Citizen in conjunction with a feature on the Commission's 10th anniversary.

- July ad in Kings County Record for their 100th anniversary.

- Ad in October Telegraph Journal/Evening Times Globe Port Days supplement.

- Purchased ad in Brunswick Business Journal in support of Saint John Board of Trade membership drive.

- Two ads in October Evening Times Globe papers promoting October DRIE licensing information session.

- Ad in October Telegraph Journal/Evening Times Globe Small Business Week Supplement, complemented by comparable ads in Kings County Record and St. Croix Courier in recognition of small businesses.

- Purchased ad in January issue of Brunswick Business Journal featuring year-end economic review from provincial commissions' points of view. This ad was complemented with a regional economic review for 1987 which was prepared by Commission staff.

- Advertised visits to communities in regional newspapers during November.

- Purchased ad in the 1987/88 Port of Saint John Directory..

- Purchased ad in Atlantic Advocate's 1988 Business & Industrial Review.

- Published ad in February's issue of the Brunswick Business Journal which features government services.

- Purchased ad in the Telegraph Journal/Evening Times Globe annual Industrial and Economic Review.

SAINT JOHN FUNDY REGION
DEVELOPMENT COMMISSION INCORPORATED

FINANCIAL STATEMENTS

MARCH 31, 1988

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
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Saint John, N.B., Canada
E2L 4V1
Telephone (506) 634-7000
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AUDITORS' REPORT

To the Board of Directors of Saint John
Fundy Region Development Commission Incorporated:

We have examined the balance sheet of Saint John Fundy Region Development Commission Incorporated as at March 31, 1988 and the operating and capital funds statements of revenues and expenditures and net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1988 and the results of its operations and the changes in its net asset position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Saint John, Canada,
May 9, 1988.

Clarkson Gordon
Chartered Accountants

SAINT JOHN FUNDY REGION
DEVELOPMENT COMMISSION INCORPORATED
(Incorporated under the laws of New Brunswick)

BALANCE SHEET

MARCH 31, 1988

	1988	1987
ASSETS		
Cash	$ 1,501	$ 19,815
Short-term investments	92,095	71,512
Accounts receivable	455	8,798
Prepaid expenses	5,363	7,484
	$99,414	$107,609
LIABILITIES AND NET ASSETS		
Accounts payable and accrued charges	$ 3,870	$ 8,210
Net assets	95,544	99,399
	$99,414	$107,609

(See accompanying notes)

On behalf of the Commission:

Director

Director

SAINT JOHN FUNDY REGION
DEVELOPMENT COMMISSION INCORPORATED

OPERATING FUND

STATEMENT OF REVENUES AND EXPENDITURES AND NET ASSETS

YEAR ENDED MARCH 31, 1988

	1988	1987
Revenue:		
Province of New Brunswick	$187,162	$151,200
Saint John	54,000	69,000
St. Stephen	5,500	4,800
Sussex	4,500	3,900
Hampton	3,500	3,000
St. Andrews	2,600	2,200
St. George	1,300	1,100
Grand Bay	3,500	3,000
Stimulation grant		17,500
Other	4,554	18,096
	266,616	273,796
Expenditures:		
Salaries and benefits	147,465	163,487
Consulting fees	12,000	
Promotion	15,217	36,203
Office rent	11,880	11,880
Insurance	1,306	1,138
Newsletter publications	7,184	
Professional development	2,355	
Automobile	13,983	
Bad debts	69	
Travel	13,416	22,812
Telephone and postage	12,554	11,175
Office equipment	16,412	8,260
Professional fees	3,621	1,455
Office supplies	4,170	5,253
Subscriptions and associations	4,193	3,017
Bank charges	441	449
Other	725	10,476
	266,991	275,605
Excess expenditures for the year	(375)	(1,809)
Net assets, beginning of year	24,545	26,354
Net assets, end of year	$ 24,170	$ 24,545

(See accompanying notes)

SAINT JOHN FUNDY REGION
DEVELOPMENT COMMISION INCORPORATED

CAPITAL FUND

STATEMENT OF REVENUES AND EXPENDITURES AND NET ASSETS

YEAR ENDED MARCH 31, 1988

	1988	1987
Revenue:		
Interest	$ 7,651	$ 5,547
Sale of land (note 3)		24,577
Other		2,791
	7,651	32,915
Expenditures:		
Truck rental	1,800	
Park maintenance	3,393	
Bad debts	3,515	
Park projects	2,231	8,428
Miscellaneous	192	
	11,131	8,428
Excess revenue (expenditures) for the year	(3,480)	24,487
Net assets, beginning of year	74,854	50,367
Net assets, end of year	$71,374	$74,854

(See accompanying notes)

SAINT JOHN FUNDY REGION
DEVELOPMENT COMMISSION INCORPORATED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1988

1. Significant accounting policy

The financial statements of the Commission have been prepared in accordance with accounting principles considered appropriate for organizations of this type. These differ from generally accepted accounting principles in that expenditures of a capital nature are charged against revenue in the period in which the liability is incurred.

2. Revenue

The Province of New Brunswick, through the Department of Commerce and Technology, and the participating municipalities provide operating funds to the Commission based on the approved budgeted expenditures of the Commission.

3. Proceeds on sale of land

The Commission and the Province of New Brunswick have entered into agreements to share a portion of the proceeds from the sale of certain industrial parkland. The Commission's share of these proceeds is to be accumulated for further servicing and development of the parks in the region.

4. Comparative amounts

Certain of the 1987 figures have been reclassified to conform with the presentation adopted for the current year.